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1944 OUTLOOK ISSUE

THE Fats and Oils SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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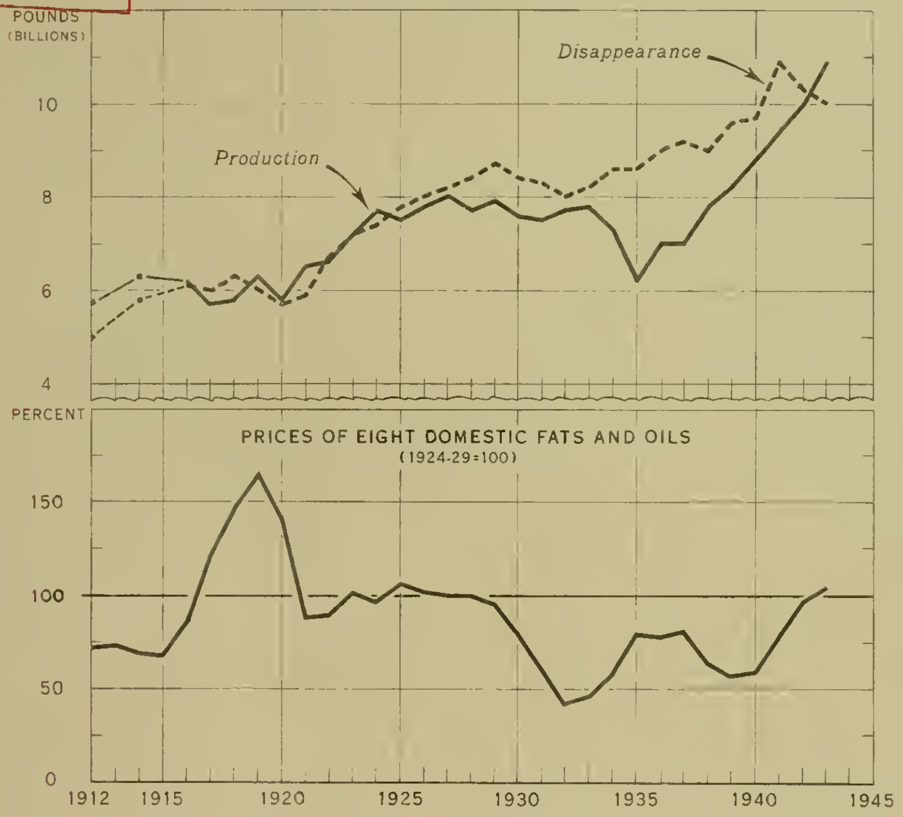
FATS AND OILS: PRODUCTION FROM DOMESTIC MATERIALS, APPARENT DOMESTIC DISAPPEARANCE, AND INDEX NUMBERS OF WHOLESALE PRICES, 1912-43



1943 PRODUCTION, DISAPPEARANCE, AND PRICE FORECAST

U. S. DEPARTMENT OF AGRICULTURE NEG. 43272 BUREAU OF AGRICULTURAL ECONOMICS

Domestic production of fats has increased sharply since 1939 and is expected to increase further in 1944. Domestic disappearance, which includes military as well as civilian use, has been reduced since 1941 by limitation orders and rationing of food fats. In 1943 the United States will be a net exporter of fats and oils for the first time since 1924, reflecting loss of imports from the Far East and large lend-lease shipments to our Allies. Prices of fats and oils are restrained by ceiling orders, but are now about 80 percent above the low level of 1939 and slightly above the 1924-29 average.

Table 1.- Wholesale price per pound of fats and oils at specified markets, and index numbers of prices, August 1941 and 1942, June-August 1943

PRICES

Item	August		1943		
	1941	1942	June	July	August
	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	1/35.0	1/40.9	42.7	41.8	41.8
Butter, 92-score, New York	1/35.5	1/41.4	43.4	42.5	42.5
Oleomargarine, dom. veg., Chicago	16.5	19.0	19.0	19.0	19.0
Compounds (animal and veg. cooking fats), Chicago	15.1	17.0	17.0	17.0	17.0
Lard, loose, Chicago	9.8	11.9	12.8	12.8	12.8
Lard, prime steam, tierces, Chicago	10.1	12.9	13.8	13.8	13.8
Lard, refined, cartons, Chicago	11.1	14.5	15.6	15.6	15.6
Oleo oil, No. 1, barrels, New York	11.8	13.2	13.8	13.8	13.8
Oleostearine, bbl., N. Y.	9.8	10.5	10.5	10.5	10.5
Tallow, edible, Chicago	8.3	9.9	9.9	9.9	9.9
Corn oil, crude, tanks, f.o.b. mills	11.8	12.8	12.8	12.8	12.8
Corn oil, refined, bbl., N. Y.	14.8	15.5	15.5	15.5	15.5
Cottonseed oil, crude, tanks, f.o.b. S.E. mills	10.9	12.8	12.8	12.8	12.8
Cottonseed oil, p.s.y., tank cars, N. Y.	11.9	13.9	14.0	14.0	14.0
Peanut oil, crude, tanks, f.o.b. mills	11.2	12.9	13.0	13.0	13.0
Peanut oil, dom., refined, drums, N. Y.	15.0	17.0	16.5	16.5	16.5
Soybean oil, crude, tank cars, midwestern mills	9.5	11.4	11.8	11.8	11.8
Soybean oil, edible, drums, l.c.l., N. Y.	12.9	14.5	15.0	15.0	15.0
Coconut oil, Manila, crude, tanks, f.o.b. Pacific Coast 2/	9.3	11.0	11.0	11.0	11.0
Coconut oil, Manila, crude, bulk, c.i.f. N. Y. 2/	3/10.4	11.4	11.4	11.4	11.4
Coconut oil, Manila, refined, edible, tank cars, f.o.b. N.Y. 2/4/	---	12.8	12.8	12.8	12.8
Olive oil, edible, drums, N. Y.	73.0	60.4	71.5	71.5	71.5
Olive oil, inedible, drums, N. Y.	52.3	55.5	55.3	55.3	55.3
Olive-oil foots, prime, drums, N. Y.	17.0	19.4	---	---	---
Palm oil, Niger, crude, drums, N. Y. 2/	10.8	12.1	12.1	12.1	12.1
Rape oil, refined, denatured, bulk, c.i.f., N.Y.	4/15.6	4/16.0	16.0	16.0	16.0
Sunflower oil, tank cars, f.o.b. N. Y.	---	14.3	14.3	14.3	14.3
Tallow, No. 1, inedible, Chicago	7.7	8.4	8.4	8.4	8.4
Grease, A White, Chicago	7.8	8.8	5/8.8	5/8.8	8.8
Menhaden oil, crude, tanks, f.o.b. Baltimore	7.4	8.9	8.8	8.9	8.9
Sardine oil, crude, tanks, Pacific Coast	7.7	8.9	8.9	8.9	8.9
Whale oil, refined, bleached winter, drums, N. Y.	10.5	11.1	12.3	12.3	12.3
Linseed oil, raw, tank cars, Minneapolis	10.2	12.5	14.5	14.4	14.4
Linseed oil, raw, drums, carlots, N. Y.	6/10.8	6/13.2	15.3	15.3	15.3
Perilla oil, crude, drums, N. Y.	21.4	24.5	24.5	24.5	24.5
Oiticica oil, drums, N. Y.	21.2	25.0	25.0	25.0	25.0
Tung oil, drums, N. Y.	34.0	39.0	39.0	39.0	39.0
Castor oil, No. 3, bbl., N. Y.	11.5	13.8	13.8	13.8	13.8
Castor oil, No. 1, tanks, N. Y.	11.0	13.0	13.0	13.0	13.0
Castor oil, dehydrated, drums, carlots, N. Y.	16.0	18.6	18.6	18.6	18.6
Cod-liver oil, med. U.S.P. bbl., N. Y.	36.7	36.4	36.5	36.5	36.5
Cod oil, Newfoundland, drums, N. Y.	10.5	12.0	12.0	12.0	12.0

INDEX NUMBERS (1924-29 = 100)

Item	August 1941	August 1942	June 1943	July 1943	August 1943
Eight domestic fats and oils (1910-14 = 100)	117	139	144	142	142
Eight domestic fats and oils	83	98	102	101	101
All fats and oils (27 items)	91	105	109	108	108
Grouped by origin:					
Animal fats	80	95	98	96	96
Marine animal oils	114	127	132	132	132
Vegetable oils, domestic	110	128	132	132	132
Vegetable oils, foreign	141	147	157	157	157
Grouped by use:					
Butter	80	93	96	93	93
Butter, seasonally adjusted	82	96	104	101	96
Lard	77	98	105	105	105
Other food fats	125	135	139	139	139
All food fats	87	101	104	103	103
Soap fats	108	119	120	120	120
Drying oils	113	135	150	150	150
Miscellaneous oils	102	117	117	117	117
All industrial fats and oils	110	125	132	132	132

Prices compiled from Oil, Paint and Drug Reporter, The National Provisioner, The Journal of Commerce (New York), and reports of the Food Distribution Administration and Bureau of Labor Statistics. Prices quoted include excise taxes and duties where applicable. Index numbers for earlier years beginning 1910 are given in Technical Bulletin No. 737 (1940) and The Fats and Oils Situation beginning December 1940.

1/ Reflects open market sales only. Current figures refer to all types of wholesale trading for cash or short-time credit. 2/ Three-cent processing tax added to price as originally quoted. 3/ Tanks, N. Y. 4/ Quoted in drums. 5/ Revised. 6/ Converted to present basis of quotation.

THE FATS AND OILS SITUATION

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Summary

Prices of fats and oils are expected to continue relatively high during the balance of 1943, throughout 1944 and probably into 1945. As a possible exception, lard may drop temporarily below ceiling prices during the period of heavy hog marketings next winter, but large Government purchases for lend-lease will tend to prevent any marked decline.

Production of fats and oils from domestic materials may total about 11.6 billion pounds in the 1943-44 crop year compared with about 11 billion pounds in the calendar year 1943 and 10 billion pounds in 1942. Further expansion in oilseed acreage probably will take place in 1944. But animal-fat production, with a smaller pig crop expected next year, is likely to be curtailed beginning in the fall of 1944. Reduced output of animal fats in the 1944-45 season may more than offset increased output of vegetable oils.

Domestic disappearance of fats and oils increased from 9.6 billion pounds in 1939 to 10.9 billion pounds in 1941, but has since declined.

With Government limitation orders and rationing of food fats in effect, disappearance in 1943, including military use, will total about 10 billion pounds. In 1944, domestic disappearance will be nearly the same as it has been in 1943.

Exports of fats and oils have increased substantially since 1940. This year the United States will be a net exporter of fats for the first time since 1924. Post-war relief shipments of fats and oils to continental Europe will be net additions to present large lend-lease exports, now going mainly to Russia and the United Kingdom. To restore consumption to 75 percent of pre-war in the first year following the war, 3 to 4 billion pounds of fats will need to be imported by continental Europe and the Russian area now occupied by Germany. Much of this additional supply will have to come from the United States unless supplies are released from areas now under Japanese control. Except in the Japanese-controlled area, the world supply situation for fats and oils is expected to remain extremely tight for 1 and possibly 2 years after the close of war in Europe.

Cotton and peanut crop prospects deteriorated in August, but this was largely offset, as far as oil production is concerned, by improvement in the outlook for the soybean crop. Under recent Government orders, the quantity of farmers' stock peanuts to be cleaned and shelled in 1943-44 has been limited to 1,400 million pounds. With an allowance of 500 million pounds for farm use, direct sales by producers, and shrinkage, approximately 900 million pounds should be available for crushing, on the basis of present crop indications. Crushings in 1942-43 will total close to 400 million pounds.

Hog slaughter will reach a new all-time peak in the 1943-44 marketing year; both lard and grease production will be expanded. Total production of lard and rendered pork fat may be 15 to 20 percent greater than the 2,700 million pounds produced in 1942-43. Factory production of greases may be 5 to 10 percent larger than a year earlier.

-- September 20, 1943

DEVELOPMENTS IN 1942 AND 1943

Production Encouraged

With the entrance of the United States into the war in December 1941 and the subsequent loss of most of our imports from the Far East, the fats situation was transformed from one of comparative abundance to one of critical supply. Production of domestic oil crops was encouraged in 1942. The total output of fats and oils in the 1942 crop year was about 10 percent greater than in the previous year, the largest ever attained. Requirements for fats also mounted and it became necessary to take measures to control distribution. Production was further encouraged in 1943.

Goals for 1943 oil crops were first announced in late November 1942 and revised upward in January 1943. As revised, the goals called for 45.5 million acres of the four principal oilcrops compared with an indicated 42.5 million acres in 1942. While the goal for cotton was reduced, the goals for flaxseed, soybeans, and peanuts were increased 1 to 2 million acres each. To support the production program, price guarantees were offered. The support price for flaxseed was raised from $2.40 per bushel, Minneapolis basis, in 1942 to $2.85 in 1943. The support price for soybeans was raised from $1.60 to $1.80 for green and yellow varieties. A single-price program for peanuts was announced, replacing the 1942 two-price system in operation for "quota" peanuts and "excess" peanuts in 1942. All commercial peanuts are to be marketed through designated Government agencies in 1943-44 at a price nearly $20 per ton higher than the average price in the preceding crop year. Prices are guaranteed by the Commodity Credit Corporation through purchase and loan programs. A floor price for cottonseed also is provided in arrangements between Commodity Credit Corporation and crushers and refiners.

The goal of 5.5 million acres of flaxseed planted in 1943 was exceeded by about 700,000 acres resulting in the largest domestic flaxseed production ever achieved in this country. The goal of 12 million acres of soybeans harvested for beans may not quite be reached, but there will be perhaps 1 million more acres of soybeans harvested in 1943 than in 1942. Similarly the peanut goal of 5.5 million acres picked and threshed probably will not be met, but the previous record of 3.4 million acres of peanuts picked and threshed in 1942 will be exceeded by about 800,000 acres. Because the supply of cotton is comparatively large, the cotton goal was reduced slightly in 1943 to 22.5 million acres in cultivation July 1. Cotton acreage allotments were liberalized in 1943, and marketing quotas were eliminated. But with the strong demand for war crops in the South, including peanuts and soybeans, only 22 million acres of cotton were reported in cultivation July 1, compared with 23.3 million acres a year earlier. This will mean less cottonseed oil in 1943-44. Nevertheless the outlook is for an increase of over 10 percent in total vegetable-oil production. With increased hog and cattle marketings in prospect, a gain in animal-fat production also will occur.

Peanut Program

The peanut program in 1943-44 is quite different from that of last year. Then a two-price system prevailed. Peanuts grown on acreage allotted by the Agricultural Adjustment Agency, known as "quota" peanuts, were marketed to the edible peanut trade under very favorable price conditions. Peanuts grown on other acreage, known as "excess" peanuts, could be sold only to agencies designated by the Government. Direct sales of such peanuts to mills were subject to a penalty of 3 cents per pound. Since prices of peanut oil and peanut meal were covered by ceilings which were considerably lower than ceiling prices for edible peanuts, growers of "excess" peanuts received much less favorable returns than "quota" growers. This situation was partly remedied by sales of excess peanuts by the designated agencies to the edible trade at a profit, which was distributed to growers in the form of a dividend.

Marketing quotas and acreage allotments for 1943-crop peanuts were revoked in June 1943 by the War Food Administration. Commodity Credit Corporation was constituted the sole purchaser of 1943-crop farmers' stock peanuts other than those used for planting or processed by growers on the farm. The purchase program is being operated through contracts with handlers, including producer cooperative associations, crushers, and shellers. Growers are guaranteed prices averaging $140 per ton for Spanish and Virginia type peanuts and $130 per ton for the Runner type, with differentials for grade.

Farmers' stock peanuts purchased by the Corporation are being sold for crushing as well as for cleaning and shelling. Prices received by the Corporation for peanuts for crushing will average about $90 per ton, reflecting the value of peanut oil and meal at ceiling prices. Peanuts for cleaning and shelling are being sold in line with ceiling prices. Ceiling prices for peanuts that may be paid by cleaners and shellers range from $154 to $176 per ton, depending on type and grade. Profits from sales to cleaners and shellers will be used to cover losses from sales to crushers and other costs of operating the program such as inspection, handling, and storage.

Imports of Oils and Oilseeds Placed Under Control

The Combined Food Board announced in September 1942 that an agreement had been reached providing for exclusive purchase of fats, oils, and oilseeds for the United Nations by the United States in certain prescribed regions of the world and by the United Kingdom in other areas. The supplies purchased by these two Governments were to be allocated among the United Nations according to the recommendations made from time to time by the Combined Food

Board and accepted by the Governments in question. This plan is now in effect.

The original agreement provided that the United States would be the exclusive purchaser, on behalf of the Governments adhering to the agreement, of (a) all oilseeds, oils, and fats in the North and South American Continents, including the Caribbean islands, excepting animal fats in Argentina and Uruguay, (b) copra in Tahiti and all Fighting French Pacific islands, (c) all oilseeds, oils, and fats in Portuguese Africa, Spanish Africa, and Liberia.

The United Kingdom was designated the exclusive purchaser, on behalf of all the adhering Governments, of (a) all animal fats in Argentina and Uruguay, (b) all oilseeds, oils, and fats in British Empire countries except those located in North or South America (including the Caribbean islands), (c) all oilseeds, oils, and fats in Fighting French Africa and the Belgian Congo.

Commodity Credit Corporation has been designated the sole Government agency for the importation of fats and oils into the United States. A definite procedure has been established for importers to follow in submitting offers of fats, oils, and oil-bearing materials to Commodity Credit Corporation for importation under the provisions of the General Imports Order.

Manufacturers' Use of Fats and Oils Restricted

To conserve supplies and to provide for orderly procurement by the military and lend-lease, manufacturers' use of fats and oils was restricted by a general limitation order beginning in the fourth quarter of 1942. This order was originally issued by the War Production Board on the recommendation of the Food Requirements Committee. Later the administration of this program was transferred to the War Food Administration. Quarterly use of fats and oils by manufacturers of margarine, shortening, cooking and salad oils, soap, paint, varnish, lacquer, linoleum, oilcloth, felt-base floor covering, coated fabrics, and printing ink was restricted to specified percentages of average use in corresponding quarters of 1940 and 1941. But the manufacture of such products for military and lend-lease purposes was exempt from restrictions. In most cases, the use permitted for civilian manufacturers was less than the average use in 1940-41. But in the case of margarine a considerably larger quantity of fats and oils was made available, to compensate in part for the shortage of butter that developed in 1943.

In addition to this action, several allocation and direct limitation programs were inaugurated for specific oils and fats as the supply of each became critical. Among the first to be controlled in this way were the imported "lauric-acid" oils -- coconut, babassu, and palm-kernel -- essential to certain war industries and high in glycerin content. Palm oil, tung oil, oiticica oil, sperm oil, cashew nut shell oil, castor oil, rape seed oil, and mustard-seed oil also came under control. Later cottonseed, soybean, peanut, and corn oils, among the edible items, as well as linseed oil, fish oils, lard oil, oleic acid, and inedible tallow and greases, were added to the list.

During part of 1943 manufacturers of creamery butter, federally inspected lard and rendered pork fat and linseed oil were required to offer specified percentages of their current output for sale to the Government. This was to facilitate procurement of these items mainly for military and lend-lease.

Consumer Rationing of Food Fats Begun

On the recommendation of the War Food Administration, the Office of Price Administration in late March 1943 inaugurated direct rationing of food fats and oils to retail consumers and to institutional and industrial users. Butter, margarine, lard, other shortening, and cooking and salad oils are now procurable only with ration stamps on a point rationing basis, along with meats, cheese, canned fish, and canned milk. Manufacturers of bakery products, confectionery, mayonnaise and salad dressings, and other products containing added fat also are rationed. The total civilian ration on an annual basis amounts to approximately 44 pounds per capita compared with consumption of about 50 pounds per capita in the early war years and 48 pounds per capita in the immediate pre-war years.

Increasing Quantities of Fats Purchased for Lend-Lease

World production and trade in fats and oils have been seriously disrupted by the war. Important surplus-producing areas in the Far East have been cut off from the Western World by Japanese occupation and blockade. Whale-oil production has been practically eliminated. Shipping schedules to and from South America, Africa, India, and Australia have become very uncertain. And in continental Europe, including part of Russia, production of animal fats and oils has been greatly reduced. The United States has provided an increasing share of the fats supply to the United Kingdom, Russia, and British forces overseas. In the first 8 months of 1943, purchases of fats and oils by the War Food Administration, mainly for lend-lease, amounted to 1,251 million pounds, nearly twice the quantity purchased in the same period in 1942.

Price Ceilings Extended to Oilseeds

Price ceilings on fats and oils, instituted by the Office of Price Administration in December 1941 were revised upward on several occasions in 1942. Butter was first put under maximum price control in October 1942, and the price of linseed oil was placed under ceiling in May 1943. All fats and oils are now covered by ceiling orders. The index number of prices of eight domestic fats and oils (1910-14 = 100) advanced from 109 in 1941 to 142 in midsummer 1943. Despite this advance, prices were much lower in 1943 than in 1918, the corresponding year of World War I.

Prices received by farmers for soybeans and peanuts were placed under ceilings in February 1943. Flaxseed ceilings, stated in terms of terminal market prices, were established in May 1943. Cottonseed is not covered by maximum price regulation. Sales of soybeans, peanuts, and flaxseed for seed are exempt from maximum price control.

OUTLOOK FOR 1944

Prices to Continue High

Prices of fats and oils are expected to continue relatively high during the balance of 1943, throughout 1944 and probably into 1945. A strong domestic and foreign demand for fats and oils will operate to maintain prices at ceiling levels. As a possible exception, lard may drop temporarily below ceiling prices during the period of heavy hog marketings next winter, but large Government purchases for lend-lease probably will prevent any marked decline.

Consumer income is expected to continue to increase during the remainder of 1943, but at a slower rate than in the first half of the year. The rate of increase may not be much different from the average in the second quarter, which was just over 1 percent a month. Revised budget figures for the 1943-44 fiscal year indicate that income of consumers after paying taxes will be about 8 billion dollars larger than in the last fiscal year, further widening the gap between disposable income and civilian supplies of goods and services. Consumer income will continue unusually large during 1944.

In addition to the demand from domestic consumers, the strong demand for lend-lease exports of fats and oils will continue to exert pressure on prices. This pressure will increase when shipments of foodstuffs and other supplies for the relief of people in continental Europe get under way in volume.

Prices of oilseeds are already guaranteed for 1943-44. In 1944-45 the prices of the four principal oilseeds -- cottonseed, soybeans, flaxseed, and peanuts -- are likely to be as high as in 1943-44, even if production is expanded further next year.

The average price received by farmers for soybeans in the 1943-44 marketing year is expected to be close to the support price of $1.80 per bushel for green and yellow varieties. Prices will be prevented from rising much above this level by the ceilings on oil and meal, which are 11.75 cents per pound for crude soybean oil, tank cars, f.o.b. Midwestern mills, and $45 per ton for soybean meal, bulk, f.o.b. Decatur, Illinois. Prices of soybeans averaged 87 cents per bushel in the crop years 1935-39, and slightly over $1.60 per bushel in 1942-43.

The farm price of flaxseed in 1943-44 probably will remain close to the level permitted by ceiling prices at terminal markets. At the Minneapolis market the ceiling of $3.05 per bushel for No. 1 seed is equivalent to an average farm price of $2.80 to $2.85 per bushel. Ceilings for linseed oil, meal, and flaxseed are fairly well in line on the basis of the usual relationships between these prices. The maximum price for linseed oil, tank cars, delivered in Zone 1 (including Minneapolis) is 14.5 cents per pound. The maximum price for linseed meal is $42 per ton, bulk, f.o.b. Minneapolis. Support prices for flaxseed are approximately 20 cents per bushel below ceiling prices.

Prices received by growers for peanuts in 1943-44 will average close to $140 per ton, or 7 cents per pound, under the Commodity Credit Corporation purchase program with differentials for type and grade. Cleaners and shellers, under this year's program, will pay higher prices than CCC purchase prices for farmers' stock peanuts, while crushers will pay lower prices. Under the recently revised ceiling prices for peanut meal, crushers can now afford to pay about $90 a ton for peanuts. The ceiling price for crude peanut oil, tank cars, f.o.b. Southeastern mills is 13 cents per pound. The revised ceiling for cake and meal, bulk, f.o.b. at mills, is $50 per ton.

Cottonseed prices are supported by agreement between crushers and Commodity Credit Corporation. Crushers who pay $55 to $56 per ton for cottonseed (equivalent to $51 to $52 per ton average farm price basis) are guaranteed support prices for oil and meal by Commodity Credit Corporation. The support prices are closely in line with ceiling prices. The maximum price for crude cottonseed oil, tank cars, f.o.b. Mississippi Valley mills, is 12.625 cents per pound. Maximum prices for 41 percent protein meal, bulk at mills, are $45 to $48 per ton, varying by States.

Further Expansion in Domestic Vegetable Oils Likely; Animal-Fat Production May be Down in 1944-45

Production of fats and oils from domestic materials may total about 11.6 billion pounds in the 1943-44 crop year compared with 10.6 billion pounds a year earlier (11 billion pounds in the calendar year 1943) and 9.5 billion pounds 2 years earlier. On the basis of September 1 indications, output from the four major oilseeds -- cottonseed, soybeans, flaxseed, and peanuts -- will be 10 to 15 percent greater in 1943-44 than in 1942-43. Total production of corn, olive, and tung oils probably will be about the same as a year earlier. Animal-fat production in 1943-44 is likely to be 5 to 10 percent greater than in 1942-43, with increases in lard and grease -- possibly tallow -- more than offsetting a moderate decline in butter production.

Further expansion in oilcrop acreage probably will take place in 1944. Favorable prices for oilseeds, together with an expanding domestic and foreign need for fats and oils, will be stimulating factors. But animal fat production in 1944-45 is likely to be curtailed. With reduced supplies of feed concentrates available, the pig crop in 1944 may be 10 to 20 percent smaller than the recrod pig crop in 1943. Marketings of 1944 spring pigs will begin in October next year. Expected lower production of both lard and grease will reflect the expected smaller pig crop.

Tallow production in 1944-45 will depend largely on the rate of cattle slaughter, which cannot be foreseen clearly at this time. With the large number of cattle now on farms, a continuing increase in cattle slaughter could take place during the next 4 or 5 years, which would leave cattle raisers in a sound economic position at the end of that period. But if range and pasture resources are abundant in the spring and summer of 1944, and if feed-crop production turns out well next year, cattlemen may continue to hold back breeding cattle in anticipation of higher prices. Cattle slaughter this winter may be larger than last as a result of the limited supply of feed concentrates in relation to present livestock numbers.

Butter production in 1944-45 is likely to be reduced unless the production of milk can be increased substantially above the level now in prospect. On the whole, reduced output of animal fats beginning about a year from now may more than offset increased output of vegetable oils, with the result that total production of fats and oils in 1944-45 may be less than in the crop year now beginning.

Fats Requirements to Increase with Reopening of Europe

Domestic disappearance of fats and oils increased from 9.6 billion pounds in 1939 to 10.9 billion pounds in 1941, but has since declined. With Government limitation orders and rationing of food fats in effect, disappearance in 1943, including use by the military, will total about 10 billion pounds. Exports of fats and oils have, however, increased substantially since 1940, and are likely to show further gains as the Allied forces liberate more of Europe.

Relief shipments of fats to continental European countries in the early post-war period will be net additions to the present large lend-lease exports. To restore consumption to 75 percent of pre-war, 3 to 4 billion pounds of fats and oils will need to be imported by continental Europe, including the Russian area now occupied by Germany, in the first year following the cessation of hostilities. Unless supplies are released from areas now under Japanese control, much of this additional supply will have to come from the United States.

According to a recent study, pre-war production of edible fats and oils on the Continent of Europe (excluding Russia) amounted to 8.6 billion pounds annually, net imports (including all marine oils as an import item) averaged 3.9 billion pounds, and consumption 12.5 billion pounds. For the year 1941-42 production on the Continent was estimated at less than 7.3 billion pounds, net imports at 860 million pounds, and consumption at 8.1 billion pounds. 1/ Imports almost certainly have declined to a very low level since 1941-42 as a result of the loss of access to Africa and the tightening of the European blockade. And production probably has declined further. Hence, supplies of fats and oils available for consumption on the Continent in 1944 (assuming that stock piles have been consumed) may be no more than 6 to 7 billion pounds, and consumption would be roughly 45 to 50 percent less than in the pre-war period.

In addition to the needs of the Continent (excluding Russia), the population of western Russia probably will be seriously in need of supplemental fat supplies until such time as production in the area overrun by the Germans can be restored to pre-war levels. Unoccupied Russia also will continue to need substantial imports for some time after the war. Even with present large lend-lease exports to Russia, her consumption of fats is considerably below pre-war standards.

Some of the needs for additional fats in continental Europe and Russia during the first year after the war undoubtedly can be supplied from

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1/ J. H. Richter, Continental Europe's Wartime Food Balance, Foreign Agriculture, U. S. Department of Agriculture, Office of Foreign Agricultural Relations, Washington, D. C., April 1943.

surplus production in South America. However, except for linseed, practically all of the available supplies of fats and oils in South America are now being utilized. As war experience has shown, linseed oil can be eaten. Of the more than 1 billion pounds of linseed oil, mostly in seed, which was exported from Argentina and Uruguay annually in the pre-war period about one-fourth was taken by the United States. This left a balance of over 750 million pounds for Europe. The other important alternative new supply of fats, aside from impounded Japanese supplies, would come from resumption of whaling activities. Pre-war world whale oil production, mostly in antarctic waters, amounted to over 1 billion pounds annually. The availability of whaling vessels and crews after hostilities cease will be an important consideration in the relief feeding of Europe. But whaling may not get under way on a large scale before the season of 1945-46, unless the war in Europe ends early enough in 1944 to get expeditions organized next year. If the possibility of obtaining new supplies of whale oil before 1946 is discounted, at least one-half of the fats for relief in Europe probably would be drawn from the United States.

RECENT DEVELOPMENTS

Cottonseed and Peanut Prospects Deteriorate; Soybean Outlook Improves

Prospects for the cotton and peanut crops were impaired in August by continued hot, dry weather, which adversely affected cotton in the western portion of the Cotton Belt and peanuts in the Texas-Oklahoma and Virginia-Carolina areas. But the outlook for the soybean crop improved moderately. Forecasts based on September 1 indications, in relation to those made a month earlier, are as follows: Cottonseed, 5.2 million tons (from 11.7 million bales of cotton), down 7 percent; peanuts picked and threshed, 2,802 million pounds, down 6 percent; soybeans harvested for beans, 208.8 million bushels, up 4 percent; flaxseed, 54.7 million bushels, up nearly 1 percent. These changes in the crop outlook represent a net reduction of about 60 million pounds in the probable 1943-44 production of oil from cottonseed, peanuts, soybeans, and flaxseed.

Production of Fats and Oils Decreased in July; Commercial Stocks at Low Level

Factory production of fats and oils totaled 752 million pounds in July, 60 million pounds less than a month earlier. Most of this decline was in vegetable oils, with the output of soybean oil, cottonseed oil, and linseed oil showing decreases of 19, 11, and 10 million pounds, respectively. Butter production was down 21 million pounds, but this was partly offset by a contraseasonal increase of 9 million pounds in production of inspected lard and rendered pork fat.

Total factory and warehouse stocks of primary fats and oils on July 31 were 1,993 million pounds (crude basis) compared with 1,978 million pounds a month earlier and 2,024 million pounds a year earlier. Substantial quantities of butter and lard, as well as other items, were held by Government agencies. With Government holdings of butter and lard deducted, July 31 stocks would total 1,711 million pounds compared with 1,759 million pounds a month earlier.

The largest decreases in factory and warehouse stocks in July were 54 million pounds for cottonseed oil and 17 million pounds for coconut oil. Cold-storage holdings of creamery butter and lard (including rendered pork fat) increased 53 million and 20 million pounds, respectively, chiefly as a result of further Government accumulations. There was also an increase of 25 million pounds in stocks of inedible tallow and grease in July, reflecting a sharp curtailment of consumption.

Government Purchases of Fats and Oils Small in August; Quarter-Billion Pounds Delivered to Russia in January-July

Purchases of fats, oils, and soap by the Food Distribution Administration in the 4 weeks ended August 28 totaled about 39 million pounds in terms of fat content, compared with approximately 255 million pounds in July and 302 million pounds in June, the peak months since lend-lease purchases began. The August total was the smallest since December 1941. Chief items purchased were 19 million pounds of vegetable oils and 12 million pounds of butter. Purchases of lard and rendered pork fat amounted only to about 3 million pounds.

Table 2.- Purchases of fats and oils by the Food Distribution Administration, 1941-43

Item	1941	1942	1943		
			July	Aug. 1/	Jan.-Aug. 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Butter	3/	34	12	12	52
Lard and rendered pork fat	326	654	122	3	584
Other animal fats and oils 4/	2	30	16	5	47
Vegetable oils	---	5/170	105	19	439
Shortening	---	46	---	3/	61
Margarine (fat content) 6/	1	77	3/	3/	49
Soap (fat content) 6/	---	16	3/	3/	19
Total fat equivalent	329	1,027	255	39	1,251

Compiled from reports of the Food Distribution Administration.

1/ Four weeks ended August 28, 1943.
2/ Computed from unrounded numbers.
3/ Less than 500,000 pounds.
4/ Includes fish-liver and fish oils.
5/ Revised.
6/ Fat content estimated at 80 percent for margarine, 55 percent for soap.

Deliveries of fats and oils to representatives of Soviet Russia totaled 264 million pounds in the first 7 months of 1943. Vegetable oils -- principally linseed oil -- accounted for 60 percent of the total. Other items delivered were lard, shortening, butter, margarine, tallow, and oleo oil. Linseed oil is used by the Russians in bakery products, for frying, on salads, and in cooked cereals. Lard has become a spread for break, taking the place of butter among the civilian population. Most of the butter and margarine goes to the Army and to hospitals. Russia's supplies of fats and oils were short before the war. With Axis occupation of some of the most productive areas, supplies have been curtailed even more. Estimates of per capita consumption of fats and oils for June 1943 indicate consumption was less than half as great as in the United States.

Prices of Fats and Oils Unchanged in August

Prices of fats and oils remained at ceiling levels in August. The index number of wholesale prices of 27 major fats and oils was unchanged at 108 percent of the 1924-29 average compared with 105 percent in August 1942. Flaxseed prices declined about 11 cents per bushel in late August, as harvesting of the Northwest crop became widespread. However, with demand from crushers for seed continuing strong, prices returned to the ceiling level, $3.05 per bushel, by the end of the month. Military and export requirements for linseed oil will be large in 1943-44, and domestic civilian consumption has been restricted by Government order to make the necessary quantities available for war needs. Demand for high-protein feeds also is expected to continue very strong in 1943-44.

RECENT GOVERNMENT ACTIONS

Retail Prices of Peanut Butter and Food Fats Other Than Butter to be Reduced

The Office of Price Administration announced September 14 that a program to reduce retail prices of certain foods would be made effective during the next 2 months. This action is designed to help bring food prices back to the level of September 15, 1942. The United States average retail price of peanut butter was to be reduced under the announced program 6.8 cents per pound from its present level to 26.5 cents per pound. Reductions of 1 cent per pound were to be made in retail prices of oleomargarine, lard, shortening other than lard, and refined vegetable oils.

Government funds were to be used to make these "roll-backs" possible without affecting prices to farmers. Full details of the program have not been announced, but funds originally intended to reduce coffee prices were to be furnished by the Reconstruction Finance Corporation to reduce peanut butter and lard prices. Commodity Credit Corporation funds were to be used to reduce margarine, shortening, and vegetable oil prices. In 1942-43, the Corporation purchased crude vegetable oil at ceiling prices and resold it to refiners for ultimate use in food products at a loss to the Corporation of 1/2 cent per pound.

Minor Changes Made in Fats and Oils Price Ceilings

Recent amendments to Maximum Price Schedule 53 include minor modifications in maximum prices for lard, linseed oil, and soapstocks. Maximum prices for denatured edible lard, until November 1, will be the same as those for edible lard. Maximum prices for lard sold to chain stores and manufacturers of inedible products are to be computed by a somewhat different method than formerly. To clarify location differentials, specific price ceilings for crude cottonseed oil are stated for six regions, instead of three as formerly. The six regions cover California, Arizona, Illinois, and Florida in addition to the areas included in the original three regions, the boundaries of which have been modified. The original linseed oil price ceilings now apply only to crushers; new ceilings for sellers are the crusher's maximum tank car price plus the dealer's normal differential. Maximum prices for soapstocks are now based on five important markets, including Chicago and New York, and vary in accordance with transportation differentials. Formerly they were the same for all points in the United States. These changes were made in Amendments 1, 2, 3, 5, and 6.

Peanut Uses by the Edible Peanut Trade Restricted

Under Food Distribution Order 78, effective September 1, the use of peanuts by processors other than crushers in the manufacture of products for domestic civilian consumption is limited in any quarter to specified percentages of use in the corresponding quarter of 1942. For peanut butter the specified percentage is 140. For other products, including confections, bakery goods, salted peanuts, and roasted peanuts in the shell, the percentage is 100. Use of peanut butter in the manufacture of products such as peanut butter candy for civilians also is limited to 100 percent of 1942 use. Persons who use a total of less than 1,000 pounds of peanuts and peanut butter in a quarter are exempt from the order. September 1943 quotas are calculated by applying the specified percentages to the September 1942 use or to one-third of the use in July-September 1942.

It is anticipated that the percentage quotas will permit the edible peanut trade in 1943-44 to use a quantity of cleaned and shelled peanuts equivalent to about 1,400 million pounds of farmers' stock peanuts. This figure includes use in the manufacture of products both for domestic civilian consumption (quota use) and for military, lend-lease, and merchant-marine purchases (ex-quota use).

In Amendment 1 to Commodity Credit Corporation Order 4, issued August 18, the aggregate quantity of the 1943-crop farmers' stock peanuts which the Corporation may authorize to be sold or delivered for cleaning and shelling is limited to 1,400 million pounds, unless the War Food Administrator specifically directs otherwise. No person, except producers who clean or shell not more than 2 tons of their own peanuts, may crush, clean, or shell 1943-crop peanuts without authorization of the Corporation.

Butter Reservation Percentages Reduced; Ration Point Value Raised

The proportion of creamery butter production required to be set aside for purchase by Government agencies in September was reduced to 20 percent compared with the 30 percent previously announced. No butter will be required to be reserved for Government purchase in October. Supplies of butter accumulated by the Government in April to September are expected to be sufficient for military and lend-lease requirements until the surplus production season next spring.

The Office of Price Administration in early September advanced the ration value of butter to 12 points per pound compared with 10 in August and 8 in April-July. This action was taken as a means of adjusting demand to the level of supplies available under War Food Administration allocations. In August, consumers offered ration coupons for a greater quantity of butter than was available in retail stores.

Restrictions Suspended on Delivery of Crude Cottonseed, Peanut, Soybean, and Corn Oils to Refiners

The War Food Administration announced September 4 that allocations will not be required on deliveries of crude cottonseed, peanut, soybean, or corn oil to refiners in October, November, or December. The provision of Food Distribution Order 29 which requires such allocations has been suspended to facilitate movement of crude oils during the heavy crushing season. With crude oil greatly in excess of commercial consumption during this season, refiners should have little difficulty in obtaining requirements. Other provisions of the order, including allocation of crude and refined oils for purposes other than refining, will continue in effect.

Wool Grease Placed Under Allocation Control

Direct allocation control over wool fats and greases and their derivatives was begun September 1 under Food Distribution Order 76. Cosmetic manufacturers and users of 10 pounds or less monthly are exempt from the order, provided they obtain their entire monthly supply from a single supplier. All other persons must obtain specific authorization from the Director of Food Distribution to deliver, accept delivery of, refine, process, or use these products. The monthly allocations to manufacturers and distributors include allowances for deliveries to exempt users.

Wool grease is in great demand by war industry as a rust preventive and leather processing agent. Imports, which accounted for about 45 percent of the supply in pre-war years, have been virtually eliminated. Although domestic production has been greatly increased since the beginning of the war, further expansion is limited by the capacity of existing equipment.

Use of Castor Oil to Expand; Tung Oil Further Restricted

The War Food Administration recently requested manufacturers to make increased use of castor oil but to curtail use of oleic acid, lard oil, sperm oil, and tung oil. Stocks of castor oil in the United States reached a record low level early this year, but the more favorable shipping conditions of recent weeks have helped to increase them up to a safe level. Manufacturers have been asked to substitute sulfonated castor oil for sperm oil, oleic acid (red oil), and sulfonated lard oil wherever possible in their requests for allocations. It was stated that requests for increased allocations of castor oil for use in military protective coatings and fabric coatings and as replacements for tung or oiticica oils will be favorably considered.

No alkyd resins containing tung oil have been authorized for general use since September 1 by the War Production Board under Order M-139. Such resins may now be used only for food container and closure linings and for insulating varnishes, and, until November 30, for aircraft coatings.

Additional Support Given Flaxseed Prices through Government Offers to Crushers

The Commodity Credit Corporation announced in late August that it would purchase linseed oil and linseed meal at designated prices from crushers who pay support prices or better for flaxseed. At Minneapolis, support prices are $2.85 per bushel for No. 1 flaxseed and $2.80 per bushel for No. 2 seed. (The ceiling price is $3.05 per bushel for No. 1 seed.) The Corporation's purchase prices at Minneapolis are 13.5 cents per pound for linseed oil and $38 per ton for linseed meal, bulk. These prices, in conjunction with the support prices for flaxseed, provide a crushing margin averaging about $14 per ton of flaxseed.

Market quotations for flaxseed this season have remained well above the support level. A low point of $2.94 per bushel for No. 1 flaxseed at Minneapolis was touched briefly in late August. In August 1942, prices dropped substantially below the support level but recovered when Commodity Credit Corporation announced arrangements with crushers similar to those made this season. Government loans on flaxseed were available to farmers in 1942-43 and are available again this season, at rates based on the support prices. However, the availability of such loans does not necessarily prevent prices from declining below support levels when market conditions are adverse, because many farmers do not have adequate storage facilities and others do not raise sufficient flaxseed to justify the trouble of obtaining loans.

LARD AND GREASE PRODUCTION, 1921-44

Lard Yield Low in 1942 and 1943

Lard production is closely correlated with the total live weight of hog slaughter. In 1921-42 output of lard and rendered pork fat in federally inspected plants varied from 660 million pounds (1935) to 1,720 million pounds (1942), a range of 1,060 million pounds. In all but 3 years (1922, 1940, and 1942) production was within 150 million pounds of the line of average relationship with inspected hog slaughter (upper section figure 1). The small output of lard in relation to hog slaughter in 1942 and 1943 apparently resulted largely from the ability of packers to sell more than the usual proportion of fat as meat.

Grease Production Unusually Large in 1941 and 1942 in Relation to Hog Slaughter; About Normal in 1943

Grease production also is correlated with inspected hog slaughter but not so closely as lard production. In the period from 1921 to 1942, factory grease production as reported by the Bureau of the Census varied from 260 million pounds (1935) to 540 million pounds (1942), a range of 280 million pounds. In most years the output was within 40 million pounds of the line of average relationship with inspected hog slaughter, as indicated in the lower section of figure 1.

In the low price years of 1932 and 1933, grease production was unusually small in relation to hog slaughter, psosibly because of curtailed operations by renderers. In 1941 and 1942 the output of grease was greater than would have been expected on the basis of hog slaughter. Grease prices in these years were the highest, with the exception of a single year, since World War I, and demand for soap fats was unusually strong. With a growing but not serious scarcity of meat in retail stores during much of 1942, packers were able to leave more than the customary amount of fat on lean cuts. Part of this extra fat apparently was trimmed and reached renderers as shop fat from wholesale and retail butcher shops. In 1943, however, much of the excess fat reaching butchers has been used in sausage or sold with the meat, and this may largely explain why the output of greases in 1943 has fallen below the 1941 and 1942 level in relation to hog slaughter.

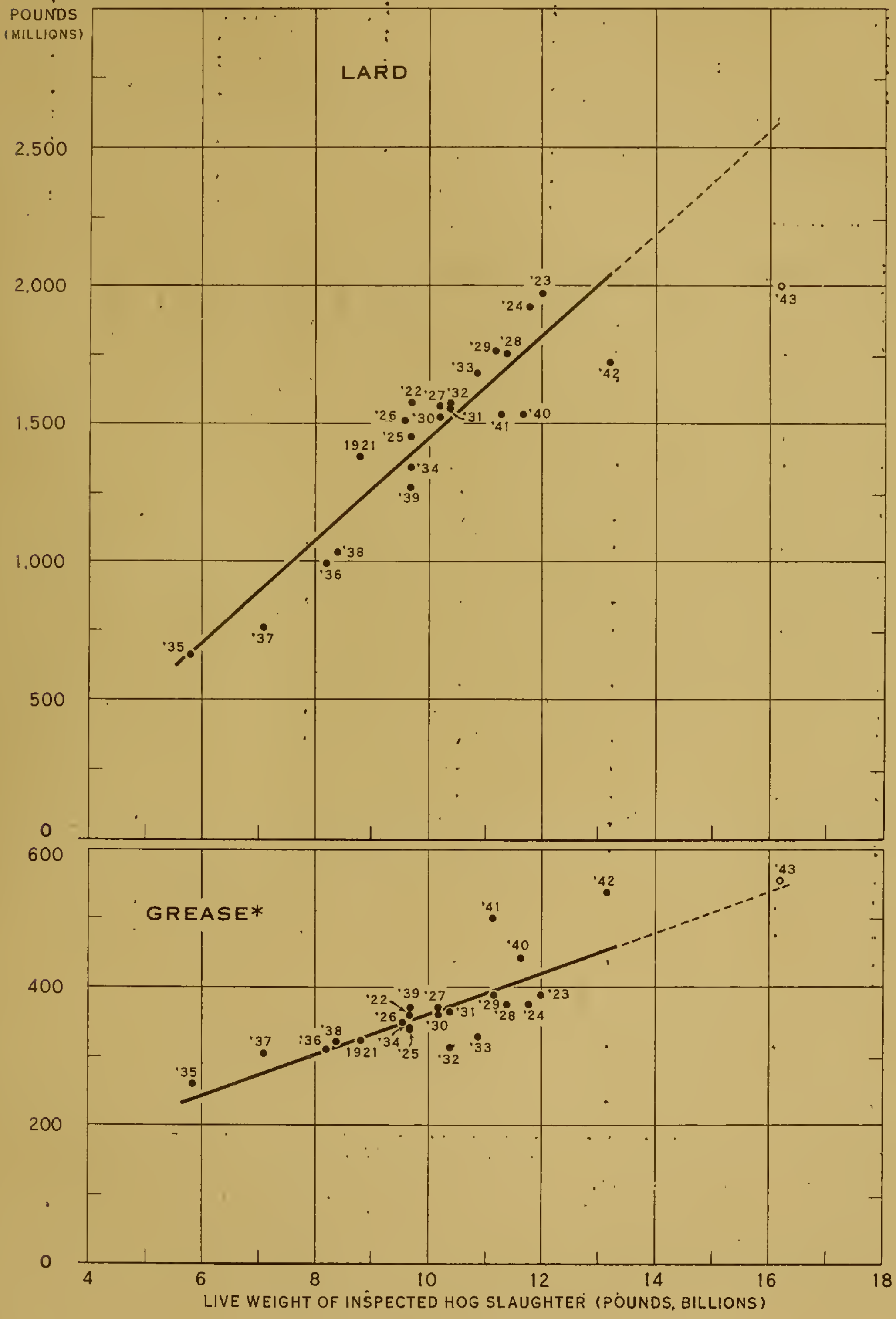
Lard Production More Responsive Than Grease to Changes in Hog Slaughter

In 1941-42, the output of lard tended to increase or decrease somewhat more than in proportion to changes in the live weight of hogs slaughtered under Federal inspection. In most years, however, factory production of grease has increased or decreased less than in proportion to changes in the live weight of hogs slaughtered. This fact, as well as the fairly wide scatter about the line of average relationship, indicates that factors other than hog slaughter have had a rather important role in determining grease production. Some greases, particularly bone, house, and garbage, contain fat from cattle and sheep or even waste fat of vegetable origin. Also, recovery of grease by renderers is not directly connected with hog slaughter. Facilities for collecting the waste fats accumulated by butchers, the quantity discarded by housewives, the number of fallen animals, and the profitability of rendering operations are factors affecting the recovery of grease.

Lard and Grease Production to Continue High in 1944

Total live weight of hogs slaughtered under Federal inspection in 1944 probably will be slightly greater than the 16 billion pounds expected in 1943. The number slaughtered will be up substantially in the 1943-44 marketing year as a result of the record 1943 spring and fall pig crops. But hog slaughter will be reduced in 1944-45 (October-September), reflecting a decrease in the 1944 spring pig crop. The average live weight of hogs slaughtered in 1944 may be less than in 1943 because of a reduction in the supply of feed grain per animal unit. Production of lard and greases will be greater in 1943-44 than in 1942-43, but probably will be reduced beginning in the fall of 1944. For 1944, as a whole, lard production may be moderately larger than in 1943. Output of grease may be slightly greater.

PRODUCTION OF FEDERALLY INSPECTED LARD AND FACTORY GREASE RELATED TO TOTAL LIVE WEIGHT OF HOGS SLAUGHTERED UNDER FEDERAL INSPECTION, 1921-42 AND PRELIMINARY ESTIMATE 1943



*BUREAU OF CENSUS DATA; EXCLUDES WOOL GREASE

U. S. DEPARTMENT OF AGRICULTURE NEG. 43261 BUREAU OF AGRICULTURAL ECONOMICS

Figure 1.- Production of both lard and grease is related to hog slaughter. Lard production has been low in relation to hog slaughter in the past 2 years, reflecting an increase in the proportion of fat sold as meat.

Table 3.- Hog slaughter, lard production, and factory production of grease, 1921-43

Year	Number of hogs slaughtered		Total live weight of hogs slaughtered in inspected plants (X_2)	Lard production		Factory production of grease, excluding wool grease (X_1')
	Total, including uninspected slaughter	In federally inspected plants		Total, including production in uninspected plants	In federally inspected plants (X_1)	
	Millions	Millions	Million pounds	Million pounds	Million pounds	Million pounds
1921	61.8	39.0	8,811	2,108	1,379	323
1922	66.2	43.1	9,738	2,302	1,575	360
1923	77.5	53.3	12,024	2,718	1,971	387
1924	76.8	52.9	11,755	2,660	1,923	376
1925	65.5	43.0	9,713	2,153	1,452	341
1926	62.6	40.6	9,555	2,206	1,513	347
1927	66.2	43.6	10,180	2,263	1,557	369
1928	72.9	49.8	11,414	2,458	1,750	374
1929	71.0	48.4	11,226	2,461	1,763	387
1930	67.3	44.3	10,235	2,227	1,521	359
1931	69.2	44.8	10,419	2,307	1,554	364
1932	71.4	45.2	10,397	2,380	1,573	313
1933	73.3	47.2	10,909	2,475	1,679	328
1934	68.8	43.9	9,709	2,091	1,341	343
1935	46.0	26.1	5,905	1,276	662	259
1936	58.7	36.1	8,151	1,679	992	308
1937	53.7	31.6	7,139	1,431	759	303
1938	58.9	36.2	8,439	1,728	1,034	322
1939	66.6	41.4	9,735	2,037	1,272	371
1940	77.6	50.4	11,716	2,343	1,527	443
1941	71.4	46.5	11,214	2,281	1,526	500
1942	77.9	53.9	13,229	2,455	1,724	537
Average 1921-42	67.3	43.7	10,073	2,184	1,457	364
1943 1/	93.2	64.6	16,200	2,874	1,997	555

Analysis of the relationship between lard production and total live weight of hogs slaughtered in federally inspected plants gives a correlation coefficient of .91 and the following regression equation: $X_1 = - 397 + .184\ X_2$. A similar analysis of factory production of grease in relation to total live weight of hogs slaughtered in federally inspected plants gives a correlation coefficient of .79 and the following regression equation: $X_1' = 67.543 + .0295\ X_2$.

Scatter diagrams of these relationships are shown in figure 2.

Data from the Food Distribution Administration, except factory production of grease, Bureau of the Census.

1/ Forecast.

Table 4.- Factory production of fats and oils, July 1941 and 1942, May-July 1943, and indicated crop-year production for specified items, 1940-42

Item	July 1941	July 1942	1943 May	1943 June	1943 July
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Animal fats and oils					
Creamery butter	194.6	186.6	190.5	202.2	181.3
Inspected lard and rendered pork fat	108.4	139.0	177.7	191.0	200.1
Greases excluding wool grease	N.A.	44.9	46.5	48.4	48.1
Neat's-foot oil	"	.3	.3	.2	.2
Oleo oil	"	9.0	7.6	6.7	7.8
Stearine, animal, edible	"	4.0	3.6	2.7	3.1
Tallow, edible	"	10.0	15.1	9.8	10.1
Tallow, inedible	"	85.3	68.4	66.1	65.3
Wool grease	"	1.4	1.3	1.5	1.2
Fish-liver oil	"	.5	.6	.9	.9
Fish oil	"	9.7	2.0	11.8	13.8
Total, animal	"	490.7	513.6	541.3	531.9
Vegetable oils, crude basis					
Castor oil	"	11.7	8.5	11.3	5.8
Coconut oil	"	7.6	14.7	9.1	6.7
Corn oil	"	20.3	20.1	17.7	17.6
Cottonseed oil	26.3	21.0	47.2	30.4	19.8
Linseed oil	N.A.	76.8	50.7	71.3	61.0
Peanut oil	4.3	14.0	6.6	6.3	9.2
Soybean oil	N.A.	59.8	122.7	114.8	96.3
Tung oil	"	---	.6	.3	1/
Other vegetable oils	"	.6	1.7	8.7	3.2
Total, vegetable	"	211.8	272.8	269.9	219.6
Grand total	"	702.5	786.4	811.2	751.5

Item	Year beginning	Indicated crop-year production 1940-41	1941-42	1942-43 2/
		Mil. lb.	Mil. lb.	Mil. lb.
Butter, including farm	July	2,281	2,170	2,145
Lard and rendered pork fat, total	Oct.	2,275	2,440	2,700
Inedible tallow and greases, total	Oct.	1,492	1,732	1,600
Edible tallow, oleostearine, oleo stock, and oleo oil	Oct.	218	277	280
Marine animal oils	July	175	215	153
Corn oil	Oct.	185	242	240
Cottonseed oil	Aug.	1,425	1,250	1,400
Linseed oil 3/	July	707	988	849
Olive oil	Oct.	11	8	10
Peanut oil	Oct.	174	76	130
Soybean oil	Oct.	564	707	4/1,200
Tung oil	Dec.	4/ 4	4/ 2	5

Compiled from reports of the Bureau of the Census and the Department of Agriculture. Monthly reports do not show total production of butter, lard, inedible tallow, and greases.

1/ Included in "other vegetable oils." 2/ Based on most recent indications, subject to change. 3/ Includes production from imported flaxseed. 4/ Revised.

Table 5.- Factory and warehouse stocks of specified fats and oils, crude basis, July 31, 1941-43, May 31 and June 30, 1943

Item	July 31, 1941	July 31, 1942	1943 May 31	1943 June 30	1943 July 31
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb
Animal fats and oils					
Butter	178.5	148.5	82.8	157.5	210.5
Lard and rendered pork fat	340.3	98.3	166.1	220.8	241.0
Greases, excluding wool grease	N.A.	100.5	78.3	78.8	97.2
Neat's-foot oil	"	2.7	2.0	2.3	2.3
Oleo oil	"	7.4	6.7	7.0	10.9
Stearine, animal, edible	"	4.5	3.7	3.6	3.8
Tallow, edible	"	11.3	16.7	17.1	16.0
Tallow, inedible	"	262.8	121.8	111.9	118.6
Wool grease	"	5.5	3.5	3.7	3.2
Cod and cod-liver oil	"	12.3	12.8	12.7	12.4
Other fish-liver oil	"	4.5	2.1	1.8	2.1
Fish oil	"	97.6	99.5	87.5	87.4
Marine mammal oil	"	48.5	62.8	56.7	54.0
Total, animal	"	804.5	658.7	761.6	859.5
Vegetable oils, crude basis 1/					
Babassu oil	"	14.9	8.3	17.5	14.2
Castor oil 2/	"	38.0	35.5	39.8	34.7
Coconut oil	"	139.6	193.2	187.5	170.8
Corn oil	"	44.0	32.9	32.6	33.7
Cottonseed oil	345.8	368.0	352.5	299.0	244.5
Linseed oil	N.A.	211.1	228.8	191.9	189.8
Oiticica oil	"	11.5	6.7	6.4	6.2
Olive oil, edible	"	7.1	3.9	3.5	3.2
Olive oil, inedible and foots	"	12.6	8.6	8.6	7.7
Palm-kernel oil	"	1.7	1.5	1.2	.
Palm oil	"	95.3	85.1	77.4	75.
Peanut oil	"	31.0	49.6	43.9	41.
Perilla oil	"	3.1	1.3	1.1	1.
Rape oil	"	15.3	23.2	24.2	25.
Sesame oil	"	.1	1.6	1.5	1.
Soybean oil	"	156.1	231.4	211.6	223.
Tung oil	"	35.4	28.7	29.0	29.
Other vegetable oils	"	34.5	40.3	39.6	30.
Total, vegetable	"	1,219.3	1,333.0	1,216.2	1,133.
Grand total	"	2,023.8	1,991.7	1,977.8	1,992.

Compiled from reports of the Bureau of the Census; except butter and lard, Food Distribution Administration. Totals computed from unrounded numbers. Includes stocks held by Government.

1/ Crude plus refined converted to crude basis by dividing by the following factors Babassu, corn, cottonseed, palm-kernel, and palm oils 0.93; coconut, peanut, and soybean oils 0.94.

2/ Includes stocks of dehydrated castor oil converted to crude basis by dividing by 0.88.

Table 6.- Prices of specified oil-bearing materials, August 1941 and 1942, June-August 1943

Item	Unit	Aug. 1941	Aug. 1942	1943 June	1943 July	1943 Aug.
		Dollars	Dollars	Dollars	Dollars	Dollars
Castor beans, Brazilian, f.o.b. Brazilian ports	Long ton	1/68.40	75.00	75.00	75.00	75.00
Cottonseed, United States farm price	Short ton	36.94	44.04	46.40	44.50	50.90
Flaxseed, No. 1, Minneapolis	Bushel	1.89	2.40	3.05	3.05	3.02
Flaxseed, United States farm price	"	1.68	2.26	2.83	2.83	2.80
Peanuts (for nuts and oil), United States farm price .	100 pounds	4.29	5.99	7.01	7.15	7.17
Soybeans, United States farm price	Bushel	1.29	1.58	1.73	1.70	1.68

Compiled from Oil, Paint and Drug Reporter, Daily Trade Bulletin (Chicago), Chicago Journal of Commerce, Daily Market Record (Minneapolis), and reports of the Bureau of Agricultural Economics.

1/ C. and f., New York.

Table 7.- Price per ton of specified oilseed meals, August 1941 and 1942, June-August 1943

Item 1/	Aug. 1941	Aug. 1942	1943 June	1943 July	1943 Aug.
	Dollars	Dollars	Dollars	Dollars	Dollars
Copra meal, Los Angeles	37.50	50.10	51.50	51.50	51.50
Cottonseed meal, 41 percent protein, Memphis	34.45	35.20	38.50	38.50	49.00
Cottonseed meal, 41 percent protein, Chicago	40.25	41.10	---	---	---
Linseed meal, 34 percent protein, Minneapolis	33.50	34.75	43.50	43.50	45.50
Linseed meal, 32 percent protein, New York	28.10	35.60	45.00	45.00	45.00
Peanut meal, 45 percent protein, f.o.b. Southeastern mills	32.94	36.62	38.00	38.00	53.00
Soybean meal, 41 percent protein, Chicago	36.20	42.60	40.40	40.40	51.90

Compiled from records of the Food Distribution Administration.

1/ Bagged carlots.

Table 8.- Oleomargarine: Production, withdrawals for consumption, and materials used in manufacture, United States, July 1941 and 1942, May-July 1943

Item	July		1943 1/		
	1941	1942	May	June	July
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Production:					
Colored	280	5,473	12,171	22,828	28,978
Uncolored	27,086	23,910	18,604	13,234	14,977
Total 2/	27,367	29,383	30,775	36,062	43,956
Tax-paid withdrawals for United States consumption 3/	25,911	22,535	20,651	24,509	31,082
Materials used:					
Oleo oil	1,305	1,706	909	1,006	1,210
Oleostearine	237	196	174	193	252
Lard stearine	---	---	20	12	---
Lard, neutral	651	403	391	507	753
Oleo stock	140	305	203	197	293
Tallow	---	37	15	23	22
Monostearine	12	67	24	28	28
Total, animal	2,345	2,714	1,736	1,966	2,558
Cottonseed oil	11,413	10,400	9,917	9,736	15,051
Soybean oil	4,912	10,631	13,033	15,940	16,796
Linseed oil	---	---	---	---	569
Peanut oil	221	32	282	713	201
Corn oil	55	178	165	1,065	191
Cottonseed stearine	---	---	---	5	5
Soybean stearine	1	---	---	---	---
Soya flakes	---	---	8	4	3
Total domestic vegetable	16,602	21,241	23,405	27,463	32,816
Coconut oil	2,474	---	---	---	---
Palm oil	667	---	---	---	---
Palm stearine	28	---	---	---	---
Sunflower oil	---	15	---	---	---
Total, foreign vegetable	3,169	15	---	---	---
Total, fats and oils	22,116	23,970	25,141	29,429	35,374
Milk	4,919	5,255	5,085	5,960	7,352
Salt	935	971	996	1,181	1,431
Derivative of glycerin	60	53	55	67	79
Lecithin	15	19	24	29	34
Soda (benzoate of)	14	13	21	26	28
Vitamin concentrate	2	5	6	7	9
Color	---	3	5	6	8
Miscellaneous	---	1	1	2	4
Total, other materials	5,945	6,320	6,193	7,278	8,945
Total, all materials	28,061	30,290	31,334	36,707	44,319

Compiled from Internal Revenue records and Internal Revenue Bulletin.

1/ Preliminary. 2/ Total of unrounded numbers. 3/ Excludes withdrawn free of tax for use in Federal institutions, and withdrawn for export.

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